

## Message Text

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41

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 SCEM-02 INT-08 CIEP-02 OMB-01

TRSE-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 COME-00 NEA-10 DRC-01 STR-08

CEA-02 /181 W

----- 123074

R 141401Z NOV 73

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 571

INFO AMEMBASSY BONN

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY BERN

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY MADRID

AMEMBASSY LISBON

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

AMEMBASSY DUBLIN

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS VIENNA 9407

E.O. 11652 N/A

TAGS: ENGR, AU

SUBJECT: PETROLEUM: CURRENT SITUATION IN AUSTRIA

REF: VIENNA 8414 (NOTAL)

SUMMARY. AUSTRIA HAS SUBSTANTIALLY RAISED PRICES FOR  
PETROLEUM PRODUCTS AND HAS TAKEN OTHER PRECAUTIONARY

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STEPS IN VIEW WORLD OIL SITUATION. AS OF NOW, HOWEVER,

GOA HAS NOT ANNOUNCED ANY PLANS FOR RATIONING. END SUMMARY.

1. EFFECTIVE TODAY, AUSTRIA INCREASED PRICES FOR MOTOR FUEL AND DISTILLATE HEATING OIL BETWEEN 22 AND 35 PERCENT. RETAIL PRICES PER LITER OF REGULAR GAS, PREMIUM GAS AND DIESEL FUEL WERE RAISED TO AS 4.90, AS 5.60 AND AS 4.40 RESPECTIVELY (DOL 1.00 - AS 19.24 AT TODAY'S RATE OF EXCHANGE) REPRESENTING INCREASES OF 25.6, 24.4 AND 22.2 PERCENT; THE PRICE FOR DISTILLATE HEATING OIL WAS INCREASED BY 35 PERCENT AND NOW RUNS TO AS 2.50 PER LITER.

2. UPWARD ADJUSTMENT OF PRICES IS TO COMPENSATE FOR HIGHER CRUDE OIL PRICES, HIGHER FREIGHT RATES AND INCREASED HANDLING COSTS AT FILLING STATIONS. PART OF PRICE INCREASE ALSO IS TO OFFSET INDUSTRY'S FINANCIAL BURDEN GENERATED BY INTRODUCTION OF VALUE ADDED TAX (VAT) JAN 1 THIS YEAR. ORIGINALLY, VAT COMPENSATION FOR PETROLEUM INDUSTRY WAS TO BECOME EFFECTIVE JAN 1, 1974.

3. PETROLEUM INDUSTRY IS NOT SATISFIED WITH NEW PRICE LEVELS AND PLANS TO FILE ANOTHER PRICE APPLICATION WITH PRICE COMMISSION WITHIN NEXT FEW DAYS.

4. GOA HOPES PRICE INCREASES NOW ANNOUNCED WILL DISCOURAGE FURTHER HOARDING TO LARGE EXTENT. HIGHER PRICES ALSO EXPECTED TO RESULT IN INCREASED SUPPLY TO WESTERN AUSTRIA OF REFINED PRODUCTS FROM WEST GERMANY AND ITALY.

5. REFLECTING CURRENT CONCERN OVER INTERNATIONAL OIL SITUATION, AUSTRIAN PARLIAMENT LAST WEEK APPROVED AMENDMENT TO RAW MATERIAL CONTROL LAW GIVING GOVERNMENT AUTHORITY TO RATION PETROLEUM PRODUCTS IF NEED ARISES.

6. TO DATE, HOWEVER, GOA HAS NOT RPT NOT IMPOSED ANY RATIONING. TRADE MINISTER STARIBACHER, IN STATEMENT MADE IN PAST FEW DAYS, DECLARED THAT THERE IS NO NEED TO RESTRICT SALES OF PETROLEUM PRODUCTS AT THIS TIME ON GROUND THAT AUSTRIA'S SUPPLY IS PRESENTLY ASSURED.  
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MINISTER ATTRIBUTED DIFFICULTIES IN SUPPLY OF DISTILLED HEATING OIL, GASOLINE AND DIESEL OIL TO HOARDING AND IN SOME INSTANCES DIFFICULTIES IN TRANSPORTING OIL PRODUCTS QUICKLY TO RETAIL OUTLETS. STARIBACHER SAID HE EXPECTS SUPPLY SITUATION TO IMPROVE IN NEAR FUTURE AS CONSUMERS RUN OUT OF SPACE AVAILABLE FOR HOARDING.

7. SCHWECHAT REFINERY, AUSTRIA'S ONLY MAJOR REFINERY,

WHICH CURTAILED PRODUCTION IN IMMEDIATE AFTERMATH OF  
NEAR EAST HOSTILITIES, AGAIN IS OPERATING AT NORMAL  
CAPACITY.

8. PRESENT WORLD SUPPLY SITUATION NOT ONLY FOR OIL  
BUT ALSO FOR FEEDSTUFFS AND OTHER RAW MATERIALS HAS  
PROMPTED ALL POLITICAL PARTIES IN PARLIAMENT TO APPROVE  
MOTION CALLING FOR A STOCKPILING LAW TO BE ENACTED AS  
QUICKLY AS POSSIBLE. COSTS OF SUCH PROGRAM AS REGARDS  
PETROLEUM WOULD BE DIVIDED AMONG GOVERNMENT, INDUSTRY  
AND CONSUMERS.

9. AVIATION FUEL SITUATION BEING REPORTED SEPTEL.HUMES

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Disposition Comment:**  
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